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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended.....3/31/92 Commission File No. 0-1994

BAY AREA HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

CALIFORNIA	94-1450703
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 First St., Benicia, California	94510
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (707) 746-0368

SECURITIES REGISTERED PURSUANT TO SECTION 12 (b) OF THE ACT:
None

SECURITIES REGISTERED PURSUANT TO SECTION 12 (g) OF THE ACT:
Class 'A' Common Stock, par value $10.00

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days Yes X No _

The registrant is unable to determine the aggregate market value of voting stock held by non affiliates because there is no market for registrants stock except for limited or sporadic quotations.

The number of shares outstanding of each of the registrant's classes of common stock, as November 8, 1991;

Convertible preferred stock, no par value	
Issued and outstanding	748,055 shares
Common stock, no par value,	
Issued and outstanding	2,261,215 shares

(30)

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Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

1992 vs. 1991

Bar and liquor sales in the restaurant for the nine months ended March 31, 1992, totaled $321,397, an increase of $8,829 (2.82%) as compared to sales of $312,568 for the nine months ended March 31, 1991. Monthly sales as compared with the previous year increased in January and February and decreased in March. The California State Board of Equalization reports that per capita consumption of beer, wine and spirits fell for the second consecutive year. The improved bar sales figures are linked to the increase in restaurant and hotel sales, and that the bar/parlor has received media recognition for the quality and variety of entertainment being offered. It is therefore attracting a more varied and diverse crowd. The improved entertainment is however costing more as a percentage of sales.

Hotel sales totaled $141,577 for the nine months ended March 31, 1992. This compares with $123,393 for the comparative period of 1991. This is a increase of $18,184 (14.73%) for the period. Hotel sales are still below the level of 1988. The increased commercial occupancy is compensating for the decrease in tourist traffic. It is not expected that tourist accommodation sales will increase materially until the economic uptrend is firmly established. Major increases in commercial accommodation sales will only be experienced when Benicia experiences substantial growth in both the downtown area and the industrial park.
The Union Hotel stands alone as a downtown attraction and there is little incentive for tourists to overnight in Benicia other than specifically to enjoy the facilities of the Hotel. The increase in accommodation sales is mainly attributable to increased commercial business.
A new roof was installed during October 1991 at a cost of $10,461. This amount has been capitalize

Construction of a shopping center of approximately 34,000 square feet commenced in January 1990. The complex will house retail stores, a food concourse and short term fully serviced rental apartments. These may adversely affect the occupancy rate of the hotel as the center attempts to gain a foothold in the accommodation market. Completion of the complex was anticipated for the the first quarter of 1991. At the time of writing work seems to have ceased due to financial problems of the developer. It is unlikely that completion will occur before late 1992. It is possible that when completed, the increase in retail square footage in the downtown area together with the variety of stores will attract the local population to visit downtown Benicia, instead of shopping and entertaining in the surrounding towns. This should enhance property values on First Street as well as generate business for the restaurant and bar.

Restaurant food sales for the six months ended March 31, 1992, totaled $472,334. This compares with $453,610 for the comparative nine months of 1990, an increase of $18,724, or 4.12%. The increased sales is contrary to trends in the industry. Sales in both March and April 1992 were below the previous year.
A Public Relations promotion campaign to commence in May 1992, is planned in an attempt to ensure continued growth of the restaurant notwithstanding the current economic atmosphere.

Energy and Resource Conservation. (E & R C)

Pacific Gas and Electric Company has appointed E & R C an official consultant of their Energy Efficiency

Services Services Support program. The first appointment to audit P G & E clients is anticipated before the end of the fiscal year. This will be in addition to consulting service contracts solicited by E & R C staff. No new contracts were entered into during the three months ended March 1992. All bids submitted will be reviewed during the period ending June 1992 and the future potential of the department evaluated.

General

Prices were not increased during the period under review. Although inflation has not had a major effect on operating costs, increased taxes on alcohol imposed by the State of California and the Federal Government have increased product costs and contributed to lower demand and consumption. The increase taxes have not been passed on by either the bar or the restaurant to the consumer.

Recapitalization

The recapitalization, approved at a meeting of shareholders held on July 9, 1990, resulted in;
(i) each outstanding share of the Company's existing Class A Common stock, including all accrued dividends thereon, will automatically be converted into five shares of the New Preferred Stock and five shares of the New Common Stock, and each outstanding share of the existing Class B Common Stock w.ll automatically be converted into ten shares of the New Common Stock. The authorized capital stock of the Company is increased to; (1) 748,055 shares of Convertible Preferred Stock to facilitate the conversion and split of the Class A common stock, and (2) 8,141,831 shares of Common Stock. 2,244,165 shares of New Common Stock will be issued to holders of Class A and Class B common stock in terms of the recapitalization, and 897,666 New Common shares will be held to facilitate the voluntary conversion rights of the New Preferred shares. This will leave 5,000,000 shares of New Common Stock authorized and unissued.

Liquidity

Overall trading to date has resulted in a profit. This has been offset by additional assessments by the liability insurance carriers of the Company. The increased assessment arose as the insurers had not provided for the increased sales attained inthe fiscal years ended June 1990 and 1991.
Applications to refinance the mortgage currently encumbering the Union Hotel have been submitted to various financial institutions. It is anticipated that a new mortgage at a lower rate and for a longer term can be acquired. A positive response has so far been received from two institutions. It is possible that the amount of the mortgage will be increased to provide additional investment capital.

Profits

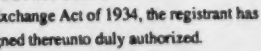
Sales for the nine months ended March 31, 1992 reflect an increase of $45,737 (5.14%) over the comparative period ended March 1991. General and Administrative costs relative to hotel operations increased by 0.58%. If the current trend continues liquidity is expected to improve during the rest of the fiscal year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Bay Area Holdings, Inc.

Date: May 4, 1992



Richard Ilsworth, President

BAY AREA HOLDINGS, INC.

BALANCE SHEET AT MARCH 31,1992

ASSETS

	3/31/92	6/30/91
Current assets:		
Cash	$49,992	$54,643
Accounts receivable	2,923	14,148
Inventories	44,616	36,402
Other current assets	20,810	5,521
Total current assets	118,341	110,714
Property and equipment:		
Land	96,611	96,611
Buildings	953,253	951,157
Furniture and equipment	266,226	262,172
	1,316,090	1,309,940
Less accumulated depreciation	669,525	638,771
Net property and equipment	646,565	671,169
Other assets	60,280	62,236
Investments	2,439	2,439
Liquor license, at cost	46,675	46,675
Deferred loan fees, net of accumulated amortization	8,166	10,122
Deposits	3,000	3,000
	$825,186	$844,119

LIABILITIES and STOCKHOLDERS EQUITY

	3/31/92	6/30/91
Current liabilities:		
Trade accounts payable	$32,827	$41,464
Accrued liabilities	57,153	53,969
Income taxes payable	600	800
Current portion of long term debt	2,039	3,853
	92,619	100,086
Long term debt	289,625	289,625
Shareholder's equity:		
Convertible preferred stock, no par value 748,055 shares authorized and to be issued. $0.05 non cumulative dividend, convertible into 1.2 shares of common stock, with a liquidation preference of up to $2.00 per share.	964,991	964,991
Common stock, no par value, authorized 8,141,831 shares, 2,244,165 shares to be issued.	248,137	248,137
Accumulated deficit	-770,186	-758,720
Stockholders equity	442,942	454,408
	$825,186	$844,119

BAY AREA HOLDINGS, INC.
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

NINE and THREE MONTHS ENDED MARCH 31, 1992

	9 MONTHS ended 31-Mar-92		9 MONTHS ended 31-Mar-91		3 MONTHS ended 31-Mar-92		3 MONTHS ended 31-Mar-91	
Sales								
Net hotel revenue	$141,577		$123,393		$46,159		$37,872	
Net bar sales	$321,397		$312,568		$94,625		$101,389	
Net restaurant sales	$472,334		$453,610		$141,534		$140,347	
Total sales	$935,308		$889,571		$282,318		$279,608	
Cost and operating expenses								
Cost of bar sales	$105,925	32.96%	$95,404	30.52%	$29,552	31.23%	$30,490	30.07%
Cost of restaurant sales	$155,167	32.85%	$154,981	34.17%	$47,553	33.60%	$47,511	33.85%
	$261,092		$250,385		$77,105		$78,001	
General and administrative hotel expenses excluding general corporate expenses	$536,170		$524,804		$167,544		$174,427	
Total operating expenses	$797,262		$775,189		$244,649		$252,428	
GROSS OPERATING REVENUES OVER EXPENSES	$138,046		$114,382		$37,669		$27,180	
FIXED HOTEL CHARGES								
Depreciation and amortization	$39,357		$40,527		$13,119		$13,545	
Interest	$22,484		$24,290		$5,499		$8,845	
Property taxes & insurance	$34,066		$33,584		$9,866		$7,948	
	$95,907		$98,401		$28,484		$30,338	
EXCESS OF HOTEL OPERATIONS REVENUES OVER EXPENSES	$42,139		$15,981		$9,185		($3,158)	
ENERGY & RESOURCE CONSERVATION								
Revenues	$2,341		-		$350		-	
Expenses	$12,156		$6,200		$3,769		$6,200	
	($9,815)		($6,200)		($3,419)		($6,200)	
NON OPERATING (INCOME) EXPENSES								
Recapitalization charges	-		$28,389		-		$4,688	
Mortgage initiation costs	$1,956		$1,967		$644		$656	
Corporate expenses	$27,844		$23,533		$13,068		$12,219	
Interest received	($1,613)		($2,556)		($414)		($1,254)	
	$28,187		$51,333		$13,298		$16,309	
EXCESS OF REVENUE OVER EXPENSES	$4,137		($41,552)		($7,532)		($25,667)	
Provision for income taxes	$600		$600		$200		$200	
NET PROFIT (LOSS)	$3,537		($42,152)		($7,732)		($25,867)	
Accumulated deficit, beginning of period	($758,720)		($695,750)		($747,451)		($711,935)	
ADD Expenses attributible to previous year	($15,003)		-		($15,003)		-	
Accumulated deficit, end of period	($770,186)		($737,902)		($770,186)		($737,802)	

Basis of Presentation
The information at December 31, 1992, for the three months and nine months periods ended December 31, 1992, and December 1991 are unaudited, but includes all adjustments (consisting only of normal recurring entries), which Bay Area Holdings, Inc., management believes to be necessary for fair presentation of the periods presented. Interim results are not necessarily indicative of results for a full year. The financial results should be read in conjunction with Bay Area Holdings, Inc., audited financial statements for the year ended June 30, 1991

BAY AREA HOLDINGS, INC.

Statement of Changes in Financial Condition

	Nine Months ended 3/31/92	Nine Months ended 3/31/91
Sources of working capital		
Profit (Loss)from continuing operations	$3,537	($42,152)
Items that did not use working capital		
Depreciation	$39,357	$40,527
Working capital provided by continuing operations	$42,894	($1,625)